



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE
Trusted Health Plan Michigan, Inc.

NAIC Group Code	4893 (Current Period)	4893 (Prior Period)	NAIC Company Code	11081	Employer's ID Number	38-3295207
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	09/29/1995		Commenced Business	12/19/2000		
Statutory Home Office	600 Renaissance Center, Suite 2100 (Street and Number)		Detroit, MI, US 48243 (City or Town, State, Country and Zip Code)			
Main Administrative Office	600 Renaissance Center, Suite 2100 (Street and Number)		Detroit, MI, US 48243 (City or Town, State, Country and Zip Code)			
Mail Address	1100 New Jersey Avenue, Suite 840 (Street and Number or P.O. Box)		Washington, DC, US 20003 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	Washington, DC, US 20003 (City or Town, State, Country and Zip Code)		(800)543-0161 (Area Code) (Telephone Number)			
Internet Website Address	http://www.harborhealthplan.com		(202)821-1070 (Area Code) (Telephone Number)			
Statutory Statement Contact	Cleveland E Slade (Name)		(202)821-1070 (Area Code)(Telephone Number)(Extension)			
	cslade@trustedhp.com (E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	
Andrew Leonard Miller	Chief Executive Officer	#
Cleveland E. Slade	Chief Financial Officer	
Chikadibie E. Duru	General Counsel	
Norris Polk MD	Chief Medical Officer	#

OTHERS

DIRECTORS OR TRUSTEES

Thomas M. Duncan	Claudia Austin
Brenda Williams	Caleb DesRosiers JD

State of Michigan
County of ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Andrew Leonard Miller (Printed Name) 1. Chief Executive Officer (Title)	(Signature) Cleveland E. Slade (Printed Name) 2. Chief Financial Officer (Title)	(Signature) Chikadibie E. Duru (Printed Name) 3. General Counsel (Title)
Subscribed and sworn to before me this day of , 2019	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....7,872,000, Schedule E Part 1), cash equivalents (\$.....1,016,846, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	8,888,846		8,888,846	16,342,278
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	8,888,846		8,888,846	16,342,278
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued				
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	246,919		246,919	143,924
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....107,263)	107,263		107,263	107,263
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans	115,000		115,000	
18.1	Current federal and foreign income tax recoverable and interest thereon	993,048		993,048	
18.2	Net deferred tax asset	44,335		44,335	112,804
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)	147,602	147,602		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	2,695		2,695	14,108
24.	Health care (\$.....0) and other amounts receivable				59,089
25.	Aggregate write-ins for other than invested assets	2,564,097	196,077	2,368,020	1,084,037
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	13,109,805	343,679	12,766,126	17,863,503
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	13,109,805	343,679	12,766,126	17,863,503
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Expenses	176,494	176,494		
2502.	Deposits	19,583	19,583		
2503.	Reimbursable ACA Fees and MCO Tax	2,368,020		2,368,020	1,084,037
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,564,097	196,077	2,368,020	1,084,037

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	3,969,446		3,969,446	7,403,077
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	453,412		453,412	113,002
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	248,984		248,984	447,472
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	2,539,958		2,539,958	1,400,840
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				110,733
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	26,051		26,051	37,830
12.	Amounts withheld or retained for the account of others	7,935		7,935	
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans	610,952		610,952	233,232
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	92,294		92,294	92,294
24.	TOTAL Liabilities (Lines 1 to 23)	7,949,032		7,949,032	9,838,480
25.	Aggregate write-ins for special surplus funds	X X X	X X X		726,833
26.	Common capital stock	X X X	X X X	60,000	60,000
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	8,286,186	7,782,285
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	(3,529,092)	(544,096)
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	4,817,094	8,025,022
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	12,766,126	17,863,502
DETAILS OF WRITE-INS					
2301.	Escheat Liabilities	92,294		92,294	92,294
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	92,294		92,294	92,294
2501.	Projected ACA fee	X X X	X X X		726,833
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		726,833
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	96,170	116,205
2.	Net premium income (including \$.....0 non-health premium income)	X X X	26,850,898	44,505,112
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	26,850,898	44,505,112
Hospital and Medical:				
9.	Hospital/medical benefits		12,123,304	21,594,270
10.	Other professional services		1,643,561	7,690,271
11.	Outside referrals			
12.	Emergency room and out-of-area		3,026,776	3,203,022
13.	Prescription drugs		2,500,767	4,148,117
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		19,294,408	36,635,680
Less:				
17.	Net reinsurance recoveries		23,084	293,495
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		19,271,324	36,342,185
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....728,320 cost containment expenses		4,601,408	4,142,966
21.	General administrative expenses		7,405,570	6,894,820
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		31,278,302	47,379,971
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(4,427,404)	(2,874,859)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		68,940	14,590
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		68,940	14,590
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....286,207)]		(286,207)	(409,040)
29.	Aggregate write-ins for other income or expenses			3,221,678
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(4,644,671)	(47,631)
31.	Federal and foreign income taxes incurred	X X X	(1,000,882)	38,821
32.	Net income (loss) (Lines 30 minus 31)	X X X	(3,643,789)	(86,452)
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Settlement of liability with Prior Owner			3,221,678
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			3,221,678

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	8,025,022	7,935,982
34.	Net income or (loss) from Line 32	(3,643,789)	(86,452)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(86,119)	(266,079)
39.	Change in nonadmitted assets	(174,813)	(4,452)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	503,901	695,728
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	192,892	(249,704)
48.	Net change in capital and surplus (Lines 34 to 47)	(3,207,928)	89,041
49.	Capital and surplus end of reporting year (Line 33 plus 48)	4,817,094	8,025,023
DETAILS OF WRITE-INS			
4701.	Prior year audit adjustments	192,892	(249,704)
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	192,892	(249,704)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	26,555,748	44,002,867
2.	Net investment income	68,940	14,590
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	26,624,688	44,017,457
5.	Benefit and loss related payments	22,587,552	35,912,796
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	10,550,937	7,475,724
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	102,899	(71,912)
10.	TOTAL (Lines 5 through 9)	33,241,388	43,316,608
11.	Net cash from operations (Line 4 minus Line 10)	(6,616,700)	700,849
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	503,901	695,728
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(1,340,631)	(13,455,597)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(836,730)	(12,759,869)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(7,453,430)	(12,059,020)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	16,342,277	28,401,297
19.2	End of year (Line 18 plus Line 19.1)	8,888,847	16,342,277

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
---------	--	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	26,850,898						32,108	26,818,790		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	26,850,898						32,108	26,818,790		
8.	Hospital/medical benefits	12,123,304	(232)					45,320	12,078,216		X X X
9.	Other professional services	1,643,561						1,965	1,641,596		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	3,026,776						3,619	3,023,157		X X X
12.	Prescription drugs	2,500,767						338	2,500,429		X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts										X X X
15.	Subtotal (Lines 8 to 14)	19,294,408	(232)					51,242	19,243,398		X X X
16.	Net reinsurance recoveries	23,084						28	23,056		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	19,271,324	(232)					51,214	19,220,342		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....728,320 cost containment expenses	4,601,408						1,088,171	3,513,237		
20.	General administrative expenses	7,405,570						18,228	7,387,342		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	31,278,302	(232)					1,157,613	30,120,921		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(4,427,404)	232					(1,125,505)	(3,302,131)		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	32,269	.....	161	32,108
7.	Title XIX - Medicaid	26,953,321	.....	134,531	26,818,790
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	26,985,590	.....	134,692	26,850,898
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	26,985,590	.....	134,692	26,850,898

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	22,610,637	(289)					1,302,944	21,307,982		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	23,084						28	23,056		
1.4 Net	22,587,553	(289)					1,302,916	21,284,926		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	3,969,445	4,762					25,049	3,939,634		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	3,969,445	4,762					25,049	3,939,634		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	(117,403)						(117,403)			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	7,403,077	4,705					1,394,155	6,004,217		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	7,403,077	4,705					1,394,155	6,004,217		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	19,294,408	(232)					51,241	19,243,399		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	23,084						28	23,056		
12.4 Net	19,271,324	(232)					51,213	19,220,343		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,867,962						19,892	1,848,070		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	1,867,962						19,892	1,848,070		
2. Incurred but Unreported:										
2.1 Direct	2,101,483	4,762					5,157	2,091,564		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	2,101,483	4,762					5,157	2,091,564		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	3,969,445	4,762					25,049	3,939,634		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	3,969,445	4,762					25,049	3,939,634		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	(289)		4,762		4,473	4,705
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	1,299,599	3,318	25,050		1,324,649	1,394,155
7.	Title XIX - Medicaid	5,160,656	16,124,269	164,722	3,774,912	5,325,378	6,004,217
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	6,459,966	16,127,587	194,534	3,774,912	6,654,500	7,403,077
10.	Healthcare receivables (a)						117,403
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	6,459,966	16,127,587	194,534	3,774,912	6,654,500	7,285,674

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	1,092	1,092	(7,194)	(7,194)	(7,194)
2.	2014	7,336	7,336		6	6
3.	2015	X X X	25,113	5,530	5,915	5,916
4.	2016	X X X	X X X	31,984	39,137	39,364
5.	2017	X X X	X X X	X X X	28,947	35,297
6.	2018	X X X	X X X	X X X	X X X	16,127

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	955	1,573	(7,044)	(7,194)	(7,194)
2.	2014	18,099	18,099		6	6
3.	2015	X X X	23,764	5,747	5,915	5,916
4.	2016	X X X	X X X	33,971	39,207	39,369
5.	2017	X X X	X X X	X X X	36,279	35,487
6.	2018	X X X	X X X	X X X	X X X	19,902

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	22,163	6	0	5.133	6	0.028			6	0.028
2.	2015	36,087	5,916	20	0.332	5,936	16.448			5,936	16.448
3.	2016	43,550	39,364	831	2.112	40,195	92.297	5		40,200	92.308
4.	2017	44,506	35,297	4,502	12.755	39,799	89.424	190	19	40,008	89.894
5.	2018	26,851	16,127	3,089	19.151	19,216	71.564	3,775	434	23,425	87.239

12 Grand Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015	X X X	14			
4.	2016	X X X	X X X	3,924	5,021	5,020
5.	2017	X X X	X X X	X X X	1	2
6.	2018	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015	X X X	22			
4.	2016	X X X	X X X	5,007	5,025	5,025
5.	2017	X X X	X X X	X X X	1	2
6.	2018	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014										
2.	2015	14									
3.	2016	5,628	5,020	145	2.886	5,165	91.771	5		5,170	91.860
4.	2017	(664)	2	145	7,255.282	147	(22.154)			147	(22.154)
5.	2018										

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015	X X X	602	218	230	231
4.	2016	X X X	X X X	5,216	6,082	6,093
5.	2017	X X X	X X X	X X X	6,703	8,108
6.	2018	X X X	X X X	X X X	X X X	3

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015	X X X	1,012	222	230	231
4.	2016	X X X	X X X	5,990	6,093	6,093
5.	2017	X X X	X X X	X X X	8,086	8,133
6.	2018	X X X	X X X	X X X	X X X	3

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014										
2.	2015	1,024	231	1	0.223	232	22.609			232	22.609
3.	2016	5,613	6,093	50	0.824	6,143	109.446			6,143	109.446
4.	2017	7,203	8,108	822	10.136	8,930	123.974	25		8,955	124.321
5.	2018	32	3	553	18,447.793	556	1,738.856			556	1,738.856

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	1,092	1,092	(7,194)	(7,194)	(7,194)
2.	2014	7,336	7,336		6	6
3.	2015	X X X	24,497	5,312	5,685	5,685
4.	2016	X X X	X X X	22,844	28,034	28,251
5.	2017	X X X	X X X	X X X	22,243	27,187
6.	2018	X X X	X X X	X X X	X X X	16,124

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	955	1,573	(7,044)	(7,194)	(7,194)
2.	2014	18,099	18,099		6	6
3.	2015	X X X	22,730	5,525	5,685	5,685
4.	2016	X X X	X X X	22,974	28,089	28,251
5.	2017	X X X	X X X	X X X	28,192	27,352
6.	2018	X X X	X X X	X X X	X X X	19,899

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	22,163	6	0	5.133	6	0.028			6	0.028
2.	2015	35,049	5,685	19	0.337	5,704	16.275			5,704	16.275
3.	2016	32,309	28,251	636	2.252	28,887	89.409			28,887	89.409
4.	2017	37,967	27,187	3,535	13.003	30,722	80.918	165	19	30,906	81.403
5.	2018	26,819	16,124	2,535	15.723	18,659	69.574	3,775	434	22,868	85.268

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015					
4.	2016					
5.	2017					
6.	2018					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015					
4.	2016					
5.	2017					
6.	2018					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014										
2.	2015										
3.	2016										
4.	2017										
5.	2018										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)	247,359						247,359		
5. Aggregate write-ins for other policy reserves	1,625	1,625							
6. TOTALS (Gross)	248,984	1,625					247,359		
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	248,984	1,625					247,359		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. ACA Risk Adjustment	1,625	1,625							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	1,625	1,625							
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			310,976		310,976
2.	Salaries, wages and other benefits	367,619	41,337	2,465,222		2,874,178
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses			2,923		2,923
5.	Certifications and accreditation fees			52,945		52,945
6.	Auditing, actuarial and other consulting services			48,350		48,350
7.	Traveling expenses	2,442	1,439	156,655		160,536
8.	Marketing and advertising			108,902		108,902
9.	Postage, express and telephone	24		75,038		75,062
10.	Printing and office supplies			81,249		81,249
11.	Occupancy, depreciation and amortization			26,617		26,617
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software			12,483		12,483
14.	Outsourced services including EDP, claims, and other services	327,551	3,830,312	3,156,374		7,314,237
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate			88,387		88,387
17.	Collection and bank service charges			75,797		75,797
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans			246,119		246,119
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			240,977		240,977
23.3	Regulatory authority licenses and fees			1,169		1,169
23.4	Payroll taxes	30,684		159,273		189,957
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			96,116		96,116
26.	TOTAL Expenses Incurred (Lines 1 to 25)	728,320	3,873,088	7,405,572		(a) 12,006,980
27.	Less expenses unpaid December 31, current year		474,980	2,539,958		3,014,938
28.	Add expenses unpaid December 31, prior year		113,002	1,400,840		1,513,842
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	728,320	3,511,110	6,266,454		10,505,884
DETAILS OF WRITE-INS						
2501.	Other Expenses			96,116		96,116
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			96,116		96,116

(a) Includes management fees of \$.....1,852,405 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 68,940	68,940
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL gross investment income	68,940	68,940
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		
17.	Net Investment income (Line 10 minus Line 16)		68,940
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)					
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection		18,112	18,112
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset		17,650	17,650
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets	147,602		(147,602)
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable		58,314	58,314
25.	Aggregate write-ins for other than invested assets	196,077	74,790	(121,287)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	343,679	168,866	(174,813)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	343,679	168,866	(174,813)
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Expenses	176,494	74,790	(101,704)
2502.	Deposits	19,583		(19,583)
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	196,077	74,790	(121,287)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	9,337	8,594	7,524	7,261	8,327	96,170
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	9,337	8,594	7,524	7,261	8,327	96,170
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Harbor Health Plan, Inc. (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

The State of Michigan has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, the differences that affect the Company are as follows:

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

		SSAP#	F/S Page	F/S Line	2018	2017
	NET INCOME					
(1)	State basis (Page 4, Line 32, Columns 2 & 3)				(3,643,790)	(86,453)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total					
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(301)						
(399)	Total				0	0
(4)	NAIC SAP (1-2-3=4)				(3,643,790)	(86,453)
	SURPLUS					
(5)	State basis (Page 3, Line 33, Columns 3 & 4)				4,817,093	8,025,023
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total					
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(701)						
(799)	Total				0	0
(8)	NAIC SAP (5-6-7=8)				4,817,093	8,025,023

B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Notes to Financial Statements

C. Accounting Policy

Health premiums are earned ratably over the terms of the related contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost
- (2) Bonds not backed by other loans are stated at amortized cost. The company has no mandatory convertible and svo identified securities
- (3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No 32
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest
- (6) Loan-backed securities are stated at amortized cost
- (7) The Company owns no investments in subsidiaries
- (8) The Company has no ownership interests in joint ventures
- (9) The Company has no derivative investments
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in the period determined
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The pharmacy rebate receivable is determined based on the actual use of various prescriptions drugs during the accumulation period

D. Going Concern

None

2. Accounting Changes and Corrections of Errors

The Company reported a correction of an error of \$192,892 for prior year taxes and asset valuation.

3. Business Combinations and Goodwill

A. Statutory Purchase Method – The Company has no unamortized goodwill resulting from a statutory purchase

B. Merger – The Company was not party to a merger during the year

C. Assumption Reinsurance - The Company has no unamortized goodwill resulting from assumption reinsurance

D. Impairment Loss - The Company did not recognize an impairment loss on the transactions described above

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities - None

Notes to Financial Statements

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate – None
- K. Low-income housing tax credits (LIHTC) – None
- L. Restricted Assets –

(1) Restricted Assets(Including Pledged)

	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted To Total Admitted Assets (b)
Restricted Asset Category							
a. Subject to contractual obligation for which liability is not shown						%	%
b. Collateral held under security lending agreements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale– excluding FHLB capital stock						%	%
i. FHLB capital stock						%	%
j. On deposit with states	\$1,016,846	\$1,004,561	\$12,285		\$1,016,846	7.756%	7.965%
k. On deposit with other regulatory bodies						%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged as collateral not captured in other categories						%	%
n. Other restricted assets						%	%
o. Total Restricted Assets	\$1,016,846	\$1,004,561	\$12,285		\$1,016,846	7.756%	7.965%

a) Column 1 divided by Asset Page Column 1,Line 28 (b) Column 5 divided by Asset Page, Column 3, Line 28

- (2) - Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and derivatives, are Reported in the Aggregate) – None
- (3) - Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, such as Reinsurance and Derivatives, Are Reported in the Aggregate – None
- (4) -Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements - None

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities – None
- O. Structured Notes - None
- P. 5GI Securities - None
- Q. Short-Sales – None
- R. Prepayment Penalty and Acceleration Fees – None

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

None.

8. Derivative Instruments

Notes to Financial Statements

None.

9. Income Taxes

A. Components of deferred tax assets and deferred tax liabilities:

1. The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows:

Description		12/31/2018			12/31/2017			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Gross Deferred Tax Assets	87,241		87,241	130,454		130,454	(43,213)		(43,213)
b.	Statutory Valuation Allowance Adjustments									
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	87,241		87,241	130,454		130,454	(43,213)		(43,213)
d.	Deferred Tax Assets Non-admitted				17,650		17,650	(17,650)		(17,650)
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	87,241		87,241	112,804		112,804	(25,563)		(25,563)
f.	Deferred Tax Liabilities	42,906		42,906				42,906		42,906
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	44,335		44,335	112,804		112,804	(68,469)		(68,469)

2. The amount of each result or component of the deferred tax asset admission are calculated as follows:

Description		12/31/2018			12/31/2017			Change		
Admission Calculation Components per SSAP No. 101 – Income Taxes		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	7,176		7,176	110,733		110,733	(103,557)		(103,557)
b	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)	62,022		62,022	2,071		2,071	59,951		59,951
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	69,168		69,168	11,804		112,804	(43,606)		(43,606)
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	709,007	XXX	XXX	1,203,443	XXX	XXX	(494,436)
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities	18,043		18,043				18,043		18,043
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b + 2c)	87,241		87,241	112,804		112,804	(25,563)		(25,563)

	Description	2018	2017
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	371.257	446.187
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	4,772,759	7,912,218

4.		12/31/2018		12/31/2017		Change	
		(1)	(2)	(3)	(4)	(5) (Col. 1 – 3)	(6) (Col. 2 - 4)
	Impact of Tax-Planning Strategies	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a)	Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1.	Adjusted gross DTAs amount from Note 9A1(c)	87,241		130,454		(43,213)	
2.	Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies						
3.	Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	87,241		112,804		(25,563)	
4.	Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies						

B. Deferred Tax Liabilities not recognized: Not Applicable

Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

	Description	1 12/31/2018	1 12/31/2017	3 (Col. 1 – 2) Change
	Current Income Tax			
a.	Federal	(1,000,879)	110,733	(1,111,612)
b.	Foreign			
c.	Subtotal	(1,000,879)	110,733	(1,111,612)
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred	(1,000,879)	110,733	(1,111,612)
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	15,069	24,354	(9,285)
2.	Unearned premium reserve			
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets			
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables – nonadmitted	4,112		4,112
11.	Net operating loss carry-forward			
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)	68,060	106,100	(38,040)
99.	Subtotal	87,241	130,454	(43,213)
b.	Statutory valuation allowance adjustment			
c.	Nonadmitted		17,650	(17,650)
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	87,241	112,804	(25,563)
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)	87,241	112,804	(25,563)
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets	30,996		30,996
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)	11,910		11,910
99.	Subtotal	42,906		42,906
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal			
c.	Deferred tax liabilities (3a99 + 3b99)	42,906		42,906
4.	Net deferred tax assets/liabilities (2i – 3c)	44,335	112,804	(68,469)

The Tax Cuts & Jobs Act ("TCJA"), signed into law on December 22, 2017, reduces the corporate Federal income tax rate from 34 percent to 21 percent, effective for years beginning after December 31, 2017. The Company has determined that no other changes are required to the deferred tax asset, and the current income tax expense is unaffected by this change in the law.

Notes to Financial Statements

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect @ 21%	Effective Tax Rate
Income before taxes	(4,644,673)	(975,381)	21.00%
DRD deduction and tax-exempt interest, net	-	-	0.00%
Prior year underaccrual/(overaccrual)	391,386	82,190	-1.77%
Change in nonadmitted assets	(192,463)	(40,417)	.87%
Meals and entertainment	18,869	3,962	-0.09%
Other nondeductible expenses	70,887	14,886	-0.32%
Total	(4,355,994)	(914,760)	19.69%
Federal income taxed incurred [expense/(benefit)]		(1,000,879)	21.55%
Tax on capital gains		-	0.00%
Change in net deferred income tax [charge/(benefit)]		86,119	-1.85%
Total statutory income taxes		(914,760)	19.69%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

(1) The Corporation does not have any net operating loss carryforwards at December 31, 2018.

(2) The following is income tax expense for 2018 and 2017 that is available for recoupment in the event of future net losses.

Year	Total
2018	0
2017	7,176

(3) The Company has not made any deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. The Company's federal income tax return is consolidated with the following entities:

Trusted Health Plans, Inc.

Trusted Health Plan (District of Columbia), Inc..

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit given for any net operating losses or other items utilized in the consolidated tax return.

G. Federal or Foreign Income Tax Loss Contingencies

(1) The Company does not have any tax loss contingencies for which it is reasonably possible that the liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax(RIT)

(1) The Company does not have foreign operations and is not subject to RIT.

I. Alternative Minimum Tax(AMT) Credits

(1) At December 31, 2018 the Company had \$0 of AMT credits.

Notes to Financial Statements

10.Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A, B, & C – The Company was acquired February 28, 2017 by Trusted Health Plans, Inc.
- D. Amounts Due from or to Related Parties

As of December 31, 2018 \$2,695 was recorded as a receivable from Trusted Health Plans, Inc – Delaware.
- E. Guarantees - None.
- F. Material management contracts – The Company entered into a Tax Sharing Agreement whereby Trusted Health Plans, Inc. and the Company has agreed to filing a joint federal tax return effective March 1, 2017 and thereafter. In addition on June 5, 2017 the Management Services Agreement was approved by the state. The Company paid \$1,852,405 to Trusted Plans, Inc. in 2018 for management fees.
- G. Common Control – None.
- H. Deductions in Value – None.
- I. SCA that exceed 10% of Admitted Assets – None.
- J. Impaired SCAs – None.
- K. Foreign Subsidiary – None
- L. Downstream Noninsurance Holding Company – None
- M. Non-Insurance SCA Investments – None
- N. Investment in Insurance SCA – None
- O. SCA Loss Tracking - None

11. Debt

- A. Debt – None.
- B. FHLB (Federal Home Loan Bank) Agreements – None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

- A. Defined Benefit Plan
 - 1) Change in benefit obligation – None
 - (2) Change in plan assets- None
 - (3) Funded status - None
 - (4) Components of net periodic benefit cost - None
 - (5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - None
 - (6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - None
 - (7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - None
 - (8) Weighted-average assumptions used to determine net period benefit cost - None
 - (9) The amount of accumulated benefit obligation for defined benefit pension plans - None
 - (10) – (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - None
 - (12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years- None

Notes to Financial Statements

(13) Regulatory contribution requirements - None

(14) – (21) None.

- B. Investment Policies and Strategies – None
- C. Plan Assets – None
- D. Long-term Rate-of-return-on-assets Assumption - None
- E. Defined Contribution Plans - None
- F. Multi-Employer Plan – None
- G. Consolidated/Holding Company Plans – None
- H. Post-Employment Benefits and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 60,000 shares of common stock authorized, issued and outstanding of \$1 par value Class A shares.
- (2) The Company has no preferred stock outstanding.
- (3)&(4) Dividend restrictions – No dividends can be paid without prior approval of its domiciliary commissioner. Dividends to shareholders are limited by the laws of the Company’s state of incorporation, Michigan, to an amount that is based on restrictions relating to statutory surplus.
- (5) Portions of Company’s profit paid as ordinary dividends to stockholders: None
- (6) Description of any restrictions on unassigned funds: None
- (7) Total amount of advances to surplus not repaid: None
- (8) Total amount of stock held by the company for special purposes: None
- (9) Reasons for changes in the balances of any special surplus funds: None
- (10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0.
- (11) The Company issued the following surplus debentures: None
- (12) Impact of restatement in a quasi-reorganization: None
- (13) Effective date of quasi-reorganization: None

14. Liabilities, Contingencies and Assessments

- a. Contingent Commitments – None
- b. Assessments – None
- c. Gain Contingencies – None
- d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None
- e. Joint and Several Liabilities – None
- f. All Other Contingencies

15. Leases

- A. Lessee Operating Lease – None.
- B. Lessor Leases – None

Notes to Financial Statements

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables reported as Sales – None

B. Transfer and Servicing of Financial Assets

(1) Description of loaned securities – None

(2) Servicing Assets and Liabilities

a. Risks inherent in servicing assets and servicing liabilities – None

b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – None

c. Assumptions used to estimate the fair value – None

(3) Servicing assets and servicing liabilities are subsequently measured at fair value – None

(4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:

a. Each income statement presented – None

b. Each statement of financial position presented, regardless of when the transfer occurred – None

(5) Transfers of financial assets accounted for as secured borrowing value – None

(6) Transfers of receivables with recourse – None

(7) Securities underlying repurchase and reverse repurchase agreements – None

C. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

a. ASO Plans – None

b. ASC Plans – None

c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract:

- 1) Revenue from the Company’s Medicare Part D (or similarly structured cost based reimbursement contract) for the year 2018, consisted of \$0 for pharmacy expenses reimbursed. This program was discontinued effective January 1, 2018.
- 2) As of December 31, 2018, the Company has no recorded receivables from companies whose account balances are greater than 10% of the Company’s amounts receivable from uninsured accident and health plans or \$10,000. In connection with the Company’s Medicare (or similarly structured cost based reimbursement contract) contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$ -0- at December 31, 2018. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.
- 3) In connection with the Company’s Medicaid pass through contract, Trusted Health Plan Michigan, Inc. has recorded \$115,000 in amounts receivable as of December 31, 2018.
- 4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Notes to Financial Statements

None

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date –

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at fair value					
Cash Equivalents	1,016,846				1,016,846
Total assets at fair value / NAV	1,016,846				1,016,846

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None
- (3) The Company’s policy for determining when transfers between levels are recognized is determined at the end of the reporting period.
- (4) The Company has not valued any securities at a Level 2 or 3.
- (5) Derivative assets and liabilities- None
- B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None
- C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash Equivalents	1,016,846	1,016,846	1,016,846				

- D. Not Practicable to Estimate Fair Value – None
- E. NAV - None

21. Other Items

- A. Unusual and Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-transferable Tax Credits - None
- F. Subprime-Mortgage-Related Risk Exposure – None
- G. Retained Assets – None
- H. Insurance-Linked Securities - None

Notes to Financial Statements

22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2019 for the statutory statement issued on December 31, 2018.

None

Type II. – Nonrecognized Subsequent Events

In 2018 the section 9010 of the Federal Affordable Care Act (ACA) fee was waived for all insurers. This annual fee would have been allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2018, the Company has written health insurance subject to the ACA assessment and expects to conduct health insurance business in 2019, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2019, to be \$ 0. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by (0) percentage points. Reporting the ACA assessment as of December 31, 2018, would not have triggered an RBC action level

	CY CY	PY
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (Yes/No)?	Yes	
B. ACA fee assessment payable for the upcoming year		
C. ACA fee assessment paid	\$737,437	\$ 0
D. Premium written subject to ACA 9010 assessment	\$26,985,590	\$44,965,111
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	4,817,094	
F. Total Adjusted Capital after surplus adjustment (Five- Year Historical Line 14 minus 22B above)	4,817,094	
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	1,285,566	
H. Would reporting the ACA assessment as of 12/31/2018 have triggered an RBC action level(Y/N)?	No	

23. Reinsurance

a. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and

Notes to Financial Statements

allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B – Not applicable.

- b. Uncollectible Reinsurance – None
- c. Commutation of Ceded Reinsurance – None
- d. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Accrued retrospective premium adjustments - None
- B. Accrued retrospective premium as an adjustment to earned premium - None
- C. Net premiums written subject to retrospective rating features - None
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act - None.
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 - (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes
 - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

Description		Amount
a. Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)		
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)		1,625
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance		
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium		
5. Ceded reinsurance premiums payable due to ACA Reinsurance		
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		
9. ACA Reinsurance contributions – not reported as ceded premium		
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors		
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		
4. Effect of ACA Risk Corridors on change in reserves for rate credits		

Notes to Financial Statements

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)									A		
2. Premium adjustments (payable) (including high risk pool premium)	1,625				1,625				B	1,625	
3. Subtotal ACA Permanent Risk Adjustment Program	1,625				1,625					1,625	
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid									C		
2. Amounts recoverable for claims unpaid (contra liability)									D		
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium									F		
5. Ceded reinsurance premiums payable									G		
6. Liability for amounts held under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program											
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium									I		
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program											
d. Total for ACA Risk Sharing Provisions	1,625				1,625					1,625	

Explanations of Adjustments

A
B Adjusted amount based on notice received from United States Department of Health and Human Services.
C Adjusted amount based on notice received from United States Department of Health and Human Services.
D

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium									A		
2. Reserve for rate credits or policy experience rating refunds									B		
b. 2015											
1. Accrued retrospective premium									C		
2. Reserve for rate credits or policy experience rating refunds									D		
c. 2016											
1. Accrued retrospective premium									E		
2. Reserve for rate credits or policy experience rating refunds									F		
d. Total for risk corridors											

Explanations of Adjustments

A Adjusted balance based on management judgement
B.
C
D
E
F

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

Notes to Financial Statements

(5) ACA Risk Corridor Receivable:

	(1) Estimated Amount to be Filed or Final Amount Filed with CMS	(2) Non-Accrued Amounts for Impairment or Other Reasons	(3) Amounts received from CMS	(4) Asset Balance (Gross of Non- admissions) (1-2-3)	(5) Non-admitted Amount	(6) Net Admitted Asset (4-5)
Risk Corridors Program Year						
a. 2014						
b. 2015						
c. 2016						
d. Total (a+b+c)						

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2017 were \$7,516,079. As of December 31, 2018, \$6,572,967 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$194,533 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$748,578 favorable prior-year development since December 31, 2017 to December 31, 2018. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2018			\$ 26		
09/30/2018			\$ 22,366		
06/30/2018			\$ 36,922		
03/31/2018			\$ 58,314		
12/31/2017	\$ 59,088				
09/30/2017			\$ 61,477		
06/30/2017			\$ 50,831		
03/31/2017			\$ 65,732		
12/31/2016			\$ 192,410		
09/30/2016			\$ 126,732		
06/30/2016			\$ 115,458		
03/31/2016			\$ 149,749		

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

The Company took into account estimated subrogation, consistent with historical recovery rates in determination of the liability for unpaid claims.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Michigan
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?

Yes[] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[]
- 2.2 If yes, date of change:

07/24/2018
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/29/2017
- 3.4 By what department or departments?

Michigan Department of Insurance and Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Brown Smith Wallace LLP 6 City Place Drive, Suite 900, St Louis, MO 63141
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kelsey Stevens, FSA, MAAA, Senior Consulting Actuary - Wakely

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

\$ 0
- 12.13 Total book/adjusted carrying value

\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$ 0
- 20.12 To stockholders not officers

\$ 0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$ 0
- 20.22 To stockholders not officers

\$ 0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$ 0
- 21.22 Borrowed from others

\$ 0
- 21.23 Leased from others

\$ 0
- 21.24 Other

\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$ 0
- 22.22 Amount paid as expenses

\$ 0
- 22.23 Other amounts paid

\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 2,695

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

GENERAL INTERROGATORIES (Continued)

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[] No[X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[] No[] N/A[X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

N/A

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[]

32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5GI securities?

Yes[] No[X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes[] No[X]

OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid

36.1 Amount of payments for legal expenses, if any?

\$..... 0

36.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

37.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid

GENERAL INTERROGATORIES (Continued)

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
- 15.1 Direct Premium Written

15.2 Total incurred claims

15.2 Number of covered lives
- \$

\$
- 0

0

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?
- Yes

No
- Yes

No

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	12,766,126	17,863,503	30,989,944	17,828,631	14,507,567
2. TOTAL Liabilities (Page 3, Line 24)	7,949,032	9,838,480	23,053,962	7,856,707	7,499,113
3. Statutory minimum capital and surplus requirement	7,000,000	7,000,000	7,000,000	3,000,000	3,000,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	4,817,094	8,025,022	7,935,982	9,971,924	7,008,455
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	26,850,898	44,505,112	51,764,915	36,576,814	21,935,853
6. TOTAL Medical and Hospital Expenses (Line 18)	19,271,324	36,342,185	39,319,678	23,764,088	18,099,208
7. Claims adjustment expenses (Line 20)	4,601,408	4,142,966	3,822,980	950,563	723,968
8. TOTAL Administrative Expenses (Line 21)	7,405,570	6,894,820	5,023,677	3,501,885	2,458,729
9. Net underwriting gain (loss) (Line 24)	(4,427,404)	(2,874,859)	4,048,580	6,774,356	650,948
10. Net investment gain (loss) (Line 27)	68,940	14,590	330	155	842
11. TOTAL Other Income (Lines 28 plus 29)	(286,207)	2,812,638	(130,454)		
12. Net income or (loss) (Line 32)	(3,643,789)	(86,452)	2,546,983	4,271,062	422,656
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(6,616,700)	700,849	5,062,225	6,190,560	4,504,325
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	4,817,094	8,025,022	7,935,982	9,971,924	7,008,455
15. Authorized control level risk-based capital	1,285,566	1,772,504	1,681,623	1,032,635	1,160,589
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	8,327	9,337	10,162	6,638	6,034
17. TOTAL Members Months (Column 6, Line 7)	96,170	116,205	134,273	84,831	58,775
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	71.8	81.7	77.7	66.1	83.0
20. Cost containment expenses	2.7	1.9	6.1		
21. Other claims adjustment expenses	14.4	7.4	1.5	2.6	3.3
22. TOTAL Underwriting Deductions (Line 23)	116.5	106.5	94.3	83.0	97.6
23. TOTAL Underwriting Gain (Loss) (Line 24)	(16.5)	(6.5)	8.0	18.9	3.0
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	6,654,500	5,744,407	5,725,985	5,504,486	1,107,200
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	7,285,674	7,314,238	5,355,174	5,321,219	1,470,960
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

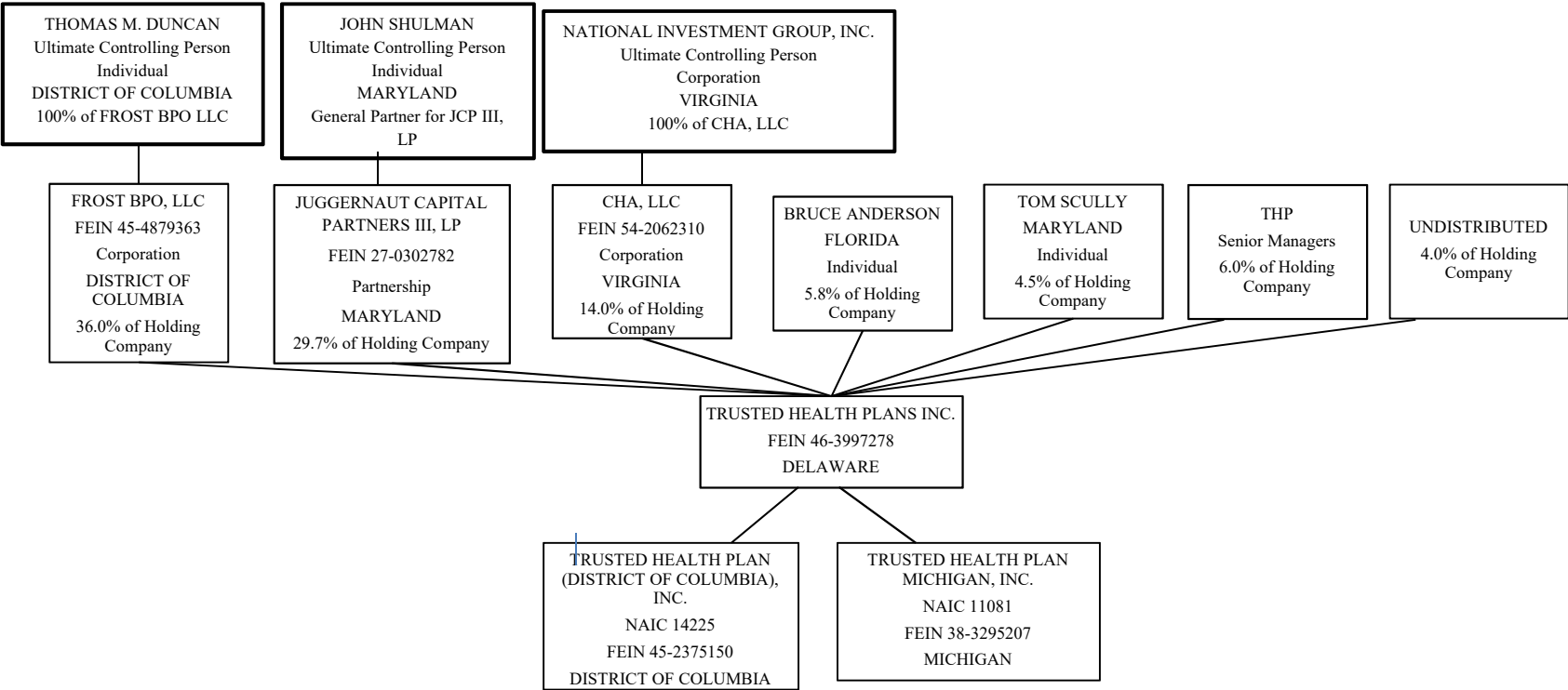
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
State, Etc.		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L		32,269	26,953,321				26,985,590	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		32,269	26,953,321				26,985,590	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	X X X		32,269	26,953,321				26,985,590	
DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
N - None of the above - Not allowed to write business in the state

Explanation of basis of allocation by state, premiums by state, etc.: situs of contract

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART
INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF TRUSTED HEALTH PLANS HOLDING COMPANY GROUP
ORGANIZATION CHART



**INDEX TO HEALTH
ANNUAL STATEMENT**

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	24
Exhibit 8 - Furniture, Equipment and Supplies Owned	25
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	26
Overflow Page For Write-ins	44
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23

**INDEX TO HEALTH
ANNUAL STATEMENT**

Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 2 - Verification Between Years	SI15
Schedule E - Part 3 - Special Deposits	E28
Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6	36
Schedule S - Part 7	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14